

books and records during normal business hours and upon reasonable notice, and to the employees, representatives and agents of AKD who prepared, or assisted in the preparation of, the Closing Adjustment Schedule. GCI's failure to timely notify AKD in writing of the existence of such a disagreement shall be deemed, for all purposes, GCI's acceptance of the Closing Adjustment Schedule.

(c) In the event and to the extent that GCI shall timely notify the AKD Members' Agent in writing, as provided in Section 2.3.2(b) above, of a disagreement with the Closing Adjustment Schedule (the "Disagreement"), GCI and the AKD Members' Agent shall attempt, in good faith, to resolve such Disagreement. In the event that the parties are unable to resolve such Disagreement within ten Business Days from the date of receipt by the AKD Members' Agent of notice from GCI of the Disagreement, GCI and the AKD Members' Agent shall jointly select one of the "Big Four" accounting firms, or any successors thereto, to resolve the Disagreement (the "Accountants"). Each of GCI and the AKD Members' Agent shall submit to the Accountants its proposal concerning what the Closing Adjustment Schedule should be, and the parties shall submit to the Accountants all relevant financial data, and the Disagreement shall be submitted for final and binding arbitration and resolution before representatives of the Accountants. In resolving the Disagreement, the Accountants shall only consider those items or amounts in the Closing Adjustment Schedule as to which GCI has disagreed. After completing their review of the Disagreement, the Accountants shall resolve each item in dispute and confirm their conclusion (and the resulting Closing Adjustment Schedule) in writing to the AKD Members' Agent and GCI, and the decision of the Accountants regarding such adjustment shall be final and binding upon the parties hereto for all purposes and enforceable in any court of competent jurisdiction. The fees and costs of the Accountants, if any, in connection with such arbitration shall be paid by the nonprevailing party (either the AKD Members or GCI), whose identity shall be determined by the Accountants.

(d) Upon determination of the final Closing Adjustment Schedule, appropriate adjustments shall be made to the AKD Net Asset Value, the number of AKD Common Units issued pursuant to Section 2.3 and the capital account balances of Parent and the AKD Members under Section 2.2 to offset any changes from the Closing Adjustment Schedule. Schedule 1.3 of the Operating Agreement will thereafter be amended to reflect the adjusted amount of AKD Common Units issued to GCI and Schedule 4.1 of the Operating Agreement will thereafter be amended to reflect the adjusted capital account balances of Parent and the AKD Members.

2.3.3. Examples. The examples set forth on Schedule 2.3.3 illustrate the impact of a post-Closing adjustment to the AKD Net Asset Value on the number of AKD Common Units issued to GCI pursuant to this Section 2.3.

2.4. Purchase and Redemption of Units. At the Closing, GCI shall purchase from AKD AKD Common Units, and AKD shall use the proceeds from the sale of such additional AKD Common Units to redeem a like number of AKD Common Units from Parent and the AKD Members in accordance with this Section 2.4. AKD shall first redeem the fractional AKD Common Units issued to the AKD Members pursuant to Section 2.2 and shall use the balance of such proceeds to redeem AKD Common Units from Parent. The price for the purchase and redemption of AKD Common Units pursuant to this Section 2.4 shall be an amount

per AKD Common Unit equal to the AKD Net Asset Value (as adjusted pursuant to Section 2.3.2) divided by (the "AKD Redemption Price"), payable in cash or immediately available funds to an account designated by AKD (in the case of the purchase by GCI) and by Parent and the AKD Members (in the case of the redemption by AKD) not less than five Business Days before the Closing Date.

2.4.1. Post-Closing Adjustment. If the AKD Redemption Price is increased or decreased as a result of a post-Closing adjustment to the AKD Net Asset Value pursuant to Section 2.3, then the amount of cash paid by GCI to AKD and by AKD to Parent and the AKD Members pursuant to this Section 2.4 shall be proportionately adjusted with appropriate payments to be made by GCI or Parent and the AKD Members within five Business Days after the Closing Adjustment Schedule has been finalized in accordance with Section 2.3.

2.4.2. Examples. The examples set forth on Schedule 2.3.3 illustrate the impact of a post-Closing adjustment to the AKD Net Asset Value on the AKD Redemption Price paid pursuant to this Section 2.4.

2.4.3. Tax Election. The parties agree to cause AKD to make an election under Section 754 of the Code for its taxable year that includes the Closing Date.

2.5. Management Agreement; Profits Interest. At the Closing, AKD and Fire Lake shall enter into the Management Agreement. AKD shall grant and issue to Fire Lake a number of AKD Profits Interest Units constituting a % interest (as adjusted pursuant to the terms and conditions of the Operating Agreement) in the profits and losses of AKD following the Closing Date, after giving effect to the issuance of AKD Common Units to the AKD Members and GCI pursuant to Sections 2.2 and 2.3. Fire Lake shall execute a counterpart of the Operating Agreement, and Schedule 1.3 of the Operating Agreement shall reflect the AKD Profits Interest Units of Fire Lake and the admission of Fire Lake as a member of AKD. If the number of AKD Common Units issued to GCI is increased or decreased as a result of a post-Closing adjustment to the AKD Net Asset Value pursuant to Section 2.2, then the number of AKD Profits Interest Units issued to Fire Lake pursuant to this Section 2.5 shall be proportionately adjusted. The examples set forth on Schedule 2.3.3 illustrate the impact of a post-Closing adjustment to the AKD Net Asset Value on the number of AKD Profits Interest Units issued to Fire Lake pursuant to this Section 2.5.

2.6. Operating Agreement. At the Closing, GCI, Parent, Fire Lake and the AKD Members shall enter into the Operating Agreement. Schedule 1.3 and Schedule 4.1 of the Operating Agreement shall reflect the number of AKD Common Units owned and capital account balances of GCI and Parent and the AKD Profits Interest Units owned by Fire Lake after giving effect to the transactions described in Sections 2.1, 2.2, 2.3, 2.4 and 2.5.

2.7. Closing. The consummation of the transaction contemplated by this Agreement (the "Closing") will be held by e-mail or facsimile transmission and wire transfer at 10:00 a.m. Alaska time on the third Business Day after the satisfaction or waiver of all of the conditions set forth in Section 8, unless another date or time is agreed by the Parties. At or before the Closing, each Party will deliver to the others by e-mail or facsimile transmission scanned executed originals of each Transaction Agreement to which it is a party and will deliver

to the other Parties paper copies, facsimiles or e-mails of scanned copies of all other documents and instruments that it is required to deliver at or before the Closing. The documents and agreements so delivered shall for all purposes be deemed originals thereof and the signatures of the Parties thereon shall be deemed original signatures. Promptly following the Closing, each Party shall deliver by overnight courier to the appropriate other Party or Parties the executed originals of all Transaction Agreements and all other original documents required to be delivered by it at or before the Closing. The failure of any Party to deliver executed originals after the Closing shall not affect the validity of any action taken at the Closing. The date on which the Closing actually occurs shall be the "Closing Date." The transactions described in Sections 2.1, 2.2, 2.3 and 2.4 shall be deemed to occur in immediate succession and shall be effective as of 12:01 a.m., Alaska time, on the Closing Date.

SECTION 3 REPRESENTATIONS AND WARRANTIES OF AKD, PARENT AND THE AKD MEMBERS

AKD, Parent and the AKD Members jointly and severally represent and warrant to GCI that, except as disclosed in the AKD Disclosure Schedule (which is numbered to correspond to the section numbers in this Section 3):

3.1. Organization; Standing and Capitalization

3.1.1. Organization and Standing of AKD. AKD is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Alaska. AKD is qualified to do business and in good standing as a foreign limited liability company in the jurisdictions listed in Schedule 3.1.1, which are all of the jurisdictions where such qualification is required. AKD has the requisite limited liability company power and authority to own its assets and carry on its business as presently being conducted. Complete and correct copies of the articles of organization, operating agreement, minute books and membership records of AKD have been delivered to GCI.

3.1.2. Organization and Standing of Properties. Properties is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Alaska. Properties is not required to qualify to do business as a foreign limited liability company in any jurisdiction. Properties has the requisite limited liability company power and authority to own its assets and carry on its business as presently being conducted. Complete and correct copies of the articles of organization, operating agreement, minute books and membership records of Properties have been delivered to GCI.

3.1.3. Capitalization. As of the date of this Agreement, all of the issued and outstanding membership interests of AKD are duly authorized, validly issued, fully paid and nonassessable and are owned of record and beneficially by the AKD Members, free and clear of Encumbrances, as follows:

<u>Member</u>	<u>Points</u>	<u>Membership Interest</u>
Pacificom		% Class A Membership Interest
Red River		% Class A Membership Interest

Graystone

% Class B Membership Interest

As of the Closing Date, after giving effect to the reclassification of membership interests contemplated by Section 2.2 but before giving effect to the other transactions contemplated by Article 2, all of the issued and outstanding AKD Common Units will be duly authorized, validly issued, fully paid and nonassessable and owned of record and beneficially by Parent and the AKD Members, free and clean of Encumbrances, as described in Section 2.2. Except as disclosed on Schedule 3.1.3, there are no outstanding options, warrants, convertible securities or other rights to acquire any membership interest or any other security from AKD. No membership interests or other securities of AKD have been issued in violation of any preemptive or similar right of any Person or have been transferred in violation of, or are currently subject to, any right of first refusal or similar right of any Person. All of the issued and outstanding ownership interests of AKD were issued in compliance with applicable law, including, without limitation, federal and state securities laws. No securities of AKD are subject to any voting trust or other voting agreement.

3.1.4. Subsidiaries. AKD owns all of the issued and outstanding membership interest of Properties, free and clear of any Encumbrance. There are no outstanding options, warrants, convertible securities or other rights to acquire any membership interest or other security from Properties. Other than Properties, AKD does not own, directly or indirectly, any capital stock of, any partnership, equity or other ownership interest in or any security issued by any other corporation, organization, association, entity, business enterprise or other Person. Properties has no material assets other than its ownership of the Premises, has no material Liabilities other than the AKD Interest-Bearing Obligations and has not conducted any sort of business other than leasing the Premises to AKD.

3.2. The Transaction Agreements.

3.2.1. Execution and Validity. AKD has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by all necessary action of the members and managers of AKD as required by the articles of organization and operating agreement of AKD and the Alaska Limited Liability Company Act. Parent and each AKD Member has the requisite power and authority to execute and deliver each of the Transaction Agreements to which it is a party and to perform its obligations thereunder, and the execution, delivery and performance by Parent or such AKD Member of this Agreement and the other Transaction Agreements to which it is a party and the consummation by Parent or such AKD Member of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by all necessary action of the owners and managers of Parent and such AKD Member as required by applicable documents and law. This Agreement has been duly executed and delivered by AKD, Parent and each AKD Member and constitutes, and each of the other Transaction Agreements to which AKD, Parent or any AKD Member is a party will be duly executed and delivered by AKD, Parent or such AKD Member at Closing and will constitute, the legal, valid and binding obligation of AKD, Parent or such AKD Member, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium,

reorganization and similar laws of general applicability affecting the rights and remedies of creditors and to general principles of equity.

3.2.2. No Violation or Approval. The execution, delivery and performance by AKD, Parent and the AKD Members of the Transaction Agreements to which they are parties and the consummation of the transactions contemplated by the Transaction Agreements do not and will not constitute or result in (a) a violation of any order, judgment or decree of any court or governmental agency or body having jurisdiction over any entity in the AKD Group, Parent, any AKD Member, or any of the AKD Business Assets, or (b) a breach of or default under, or the acceleration of any obligation or creation of any Encumbrance under (whether immediately, upon the passage of time or after the giving of notice), or otherwise require a consent or waiver under, any agreement, instrument, lease, contract, mortgage, deed or license to which any entity in the AKD Group, Parent or any AKD Member is a party or by which any entity in the AKD Group, Parent or any AKD Member or any of their assets are bound or affected or (c) a violation of or a conflict with the articles of organization or operating agreement of any entity in the AKD Group, Parent or any AKD Member. Except as described on **Schedule 3.2.2**, no notice to, or consent, approval, order or authorization of, or declaration or filing with, any governmental authority or entity or other Person is required to be obtained or made by any entity in the AKD Group, Parent or any AKD Member in connection with the execution, delivery and performance of or the consummation of the transactions contemplated by any of the Transaction Agreements.

3.3. AKD Business Assets.

3.3.1. Description. The AKD Business Assets and the Leased Real Property constitute all of the assets, properties and rights used by any entity in the AKD Group to conduct its business and necessary to conduct its business as currently conducted. **Schedule 3.3.1** is a true and complete list of all depreciable tangible AKD Business Assets (including tangible AKD Business Assets leased by any entity in the AKD Group under leases that are required to be capitalized for accounting purposes), that reflects the in-service dates of such tangible AKD Business Assets, the depreciation methods and periods of such tangible AKD Business Assets and the net book value of such tangible AKD Business Assets as of May 31, 2006. Except as described in **Schedule 3.3.1**, neither any AKD Member nor any Affiliate of an AKD Member owns or leases any assets used in AKD's business.

3.3.2. Title. AKD has good and marketable title to all of the AKD Business Assets, free and clear of Encumbrances except Encumbrances securing current Taxes not yet due and payable.

3.3.3. Real Property. **Schedule 3.3.3** contains a true and complete list of all leases and other agreements or arrangements pursuant to which any entity in the AKD Group occupies or uses any real property (the "Real Property Leases") and a description of the real property subject to each. All of the Real Property Leases are in full force and effect, and will continue to be in full force and effect following the consummation of the transactions contemplated hereby, and neither AKD nor, to knowledge of the AKD Members, any other Person is in default under any Real Property Lease. Without limiting the generality of the foregoing, AKD is current in the performance of its maintenance obligations under all Real

Property Leases. The Leased Real Property constitutes all of the real property, buildings and improvements used by AKD in its business. Properties has good and marketable title to the Premises, free and clear of all Encumbrances. AKD owns no real property (other than its indirect ownership of the Premises through Properties). Each parcel of Leased Real Property is supplied with utilities and other services necessary for the operation thereof. The Leased Real Property is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair, subject to ordinary wear and tear reasonably to be expected in a business of the type operated by AKD, and is suitable for the purposes for which it presently is used. The Leased Real Property complies in all material respects with applicable laws, rules and regulations and all applicable declarations and covenants, has received all approvals of governmental authorities (including permits) required in connection with the occupation and operation thereof and has been occupied, operated and maintained in accordance with applicable law. AKD enjoys peaceful and undisturbed possession of all Leased Real Property.

3.3.4. Condition. The tangible AKD Business Assets, taken as a whole, are in good operating condition and repair, subject to ordinary wear and tear reasonably to be expected in a business of the type operated by AKD, and are suitable for the purposes for which they are currently used.

3.3.5. Intellectual Property. Schedule 3.3.5 contains a true and complete list of all Intellectual Property used in or related to any entity in the AKD Group's business and all registrations or filings with respect thereto. Each entity in the AKD Group owns or possesses adequate licenses or other rights to use, free and clear of any Encumbrance, all Intellectual Property listed in Schedule 3.3.5, which includes all Intellectual Property necessary to operate each entity in the AKD Group's business as currently conducted. Any Intellectual Property provided to any entity in the AKD Group by a technology vendor is used under a valid license and AKD is in compliance with such license. Each entity in the AKD Group has taken commercially reasonable actions to maintain and protect each item of Intellectual Property that it owns or uses. No entity in the AKD Group has interfered with, infringed upon, misappropriated or otherwise violated any other Person's Intellectual Property, and, to the knowledge of each entity in the AKD Group and the AKD Members, no Person has any Intellectual Property that interferes or would be likely to interfere with any entity in the AKD Group's use of any of its Intellectual Property. No proceeding is pending or, to the knowledge of any entity in the AKD Group or any AKD Member, threatened, alleging any such interference. No royalty or similar fee of any kind is payable by any entity in the AKD Group for the use of any of the Intellectual Property listed on Schedule 3.3.5, and no entity in the AKD Group has granted any Person any interest, as licensee or otherwise, in or to any of such Intellectual Property.

3.4. Financial Matters.

3.4.1. Financial Statements. Attached to this Agreement as Schedule 3.4.1 are (a) the audited consolidated balance sheet of the AKD Group as of December 31, 2005 (the "AKD Balance Sheet Date"), and the related audited statements of income, members' equity and cash flows for the fiscal year then ended, and (b) the unaudited consolidated balance sheet of the AKD Group as of May 31, 2006, and the related unaudited statements of income, members' equity and cash flows for the period covered thereby (collectively, the "AKD Financial

Statements"). The AKD Financial Statements were prepared from the books and records of AKD, which are correct and complete. The AKD Financial Statements present fairly and accurately the financial position of the AKD Group and the results of its operations as of the respective dates and for the periods presented therein and have been prepared in accordance with GAAP.

3.4.2. No Undisclosed Liabilities. The AKD Group have no Liabilities except (i) Liabilities set forth on the balance sheets included in the AKD Financial Statements, and (ii) Liabilities which have arisen after the AKD Balance Sheet Date in the ordinary course of business, consistent with historical practice (none of which Liabilities arises out of or relates to any breach of contract, breach of warranty, tort, infringement or violation of law). No entity in the AKD Group is a guarantor or otherwise liable for any Liability of any other Person.

3.4.3. Absence of Changes. Since the AKD Balance Sheet Date, the AKD Group has not undergone any adverse change in its business, condition (financial or otherwise) or prospects, or suffered any damage, destruction or loss (whether or not covered by insurance). Since the Balance Sheet Date, the AKD Group has operated only in the ordinary course of business, consistent in all respects with historical practice, and no change has been made or transaction entered into in anticipation of the transactions contemplated hereby. Without limiting the generality of the foregoing, since the AKD Balance Sheet Date, the AKD Group has not:

(a) made any loan, advance or other extension of credit to any AKD Member or any officer, director or employee of any entity in the AKD Group or any Affiliate of any thereof;

(b) increased or experienced any adverse change in any assumption underlying any method of calculating bad debts, contingencies or other reserves from that reflected in the AKD Financial Statements;

(c) cancelled, compromised, written down, written off or waived any claim or right of substantial value;

(d) sold, transferred, distributed or otherwise disposed of any of its assets except for sales of equipment for fair consideration in the ordinary course of business which has either been replaced by comparable equipment or is no longer necessary for the operation of AKD's business;

(e) made any capital expenditure or commitment for additions to property, plant or equipment, except for capital expenditures or commitments (i) set forth on Schedule 3.4.3(e) or (ii) approved in advance by GCI, which approval shall not be unreasonably withheld or delayed;

(f) made or agreed to make any increase in the compensation payable or benefits provided to any of the officers or directors of any entity in the AKD Group;

(g) lost any key employee or key sales representative or consultant of AKD;

(h) paid any severance or termination pay to any officer, director or employee of any entity in the AKD Group;

(i) entered into, added to or modified any Plan or any other arrangement or practice relating to employees, other than (A) contributions made in accordance with its normal practice or (B) the extension of coverage to employees who became eligible after the AKD Balance Sheet Date;

(j) changed the methods of accounting or accounting principles or practices of any entity in the AKD Group set forth in or reflected by the AKD Financial Statements;

(k) entered into any contract or received any payment as a result of which any entity in the AKD Group would be required to provide goods or services to any Person after the Closing without receiving full payment for those goods or services at or after the time they are provided;

(l) entered into any transaction or contract, or amended or terminated any transaction or contract, with respect to the business of any entity in the AKD Group, except normal transactions or contracts consistent in nature and scope with prior practices and entered into in the ordinary course of business in arm's-length transactions, none of which transactions or contracts, or amendments or terminations thereof, could reasonably be expected to have a material adverse effect upon the business of any entity in the AKD Group or the financial condition or prospects thereof;

(m) terminated or been advised of the termination of or material reduction in its relationship with any material customer or supplier;

(n) changed in any material respect the business policies or practices of any entity in the AKD Group or failed to operate the business of any entity in the AKD Group in good faith and in the ordinary course; or

(o) agreed, whether in writing or not, to do any of the foregoing.

3.4.4. Taxes. Each entity in the AKD Group has filed all Tax Returns that it has been required to file. All such Tax Returns were correct and complete in all material respects. All Taxes owed by each entity in the AKD Group (whether or not required to be shown on a Tax Return) have been paid. No entity in the AKD Group is currently the beneficiary of any extension of time within which to file any Tax Return. No entity in the AKD Group has received notice from an authority in a jurisdiction where it does not file Tax Returns that it may be subject to taxation by that jurisdiction. Each entity in the AKD Group has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other Person. Schedule 3.4.4 lists all Tax Returns filed by each entity in the AKD Group since January 1, 1999 (complete copies of which have been delivered to GCI) and indicates those Tax Returns that have been audited or are currently being audited or for which any member of the AKD Group has received notice of a proposed audit. No entity in the AKD Group has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or

deficiency. No entity in the AKD Group has any liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract, or otherwise. No entity in the AKD Group has been a member of an affiliated group filing a consolidated federal income Tax Return (or any other consolidated, combined or unitary income Tax Return). The reserves for Taxes in the AKD Financial Statements are adequate. No entity in the AKD Group is subject to any agreements that could result in any "excess parachute payments" under Code Section 280G. No entity in the AKD Group has agreed to or is otherwise required to make any adjustments pursuant to Code Section 481(a) or any similar provision of state, local or foreign law by reason of a change in accounting method. No taxing authority has proposed any such adjustment or change in accounting method with respect to any entity in the AKD Group. There is no application pending with any taxing authority requesting permission for any change in accounting method of any entity in the AKD Group. No entity in the AKD Group has participated in any investment or transaction that (i) constituted a "tax shelter" within the meaning of Section 6111(c)(1) of the Code; or (ii) would constitute a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4, whether entered into before or after the effective date of such Treasury Regulation. None of the assets of any entity in the AKD Group are subject to any liens in respect of Taxes, except liens that are expressly permitted under the terms of this Agreement.

3.4.5. Accounts Receivable. The accounts receivable of each entity in the AKD Group (i) are validly existing, (ii) are enforceable by the AKD Group in accordance with the terms of the instruments or documents creating them, subject to bankruptcy, insolvency, moratorium, reorganization and similar laws of general applicability affecting the rights and remedies of creditors and to general principles of equity, (iii) are owned by the applicable entity in the AKD Group free and clear of all Encumbrances, (iv) represent monies due for, and have arisen solely out of, bona fide performance of services and other business transactions in the ordinary course of business consistent with past practices and (v) are collectible within one year after the Closing Date at the full recorded amount thereof less any allowance for uncollectible accounts receivable that is reflected in the Final Closing Adjustment Schedule. There are no refunds, discounts or other adjustments payable with respect to any such accounts receivable, and there are no defenses, rights of set-off, counterclaims, assignments, restrictions, encumbrances, or conditions enforceable by third parties on or affecting any account receivable.

3.5. Operational Matters.

3.5.1. Compliance With Law. Each entity in the AKD Group has conducted its operations in material compliance with applicable laws. The AKD Members have no knowledge of and the AKD Group has not received notice of any violations of law relating to any entity in the AKD Group, AKD's operations or the AKD Business Assets. Neither any AKD Member, any entity in the AKD Group nor, to the knowledge of AKD, Parent and the AKD Members any officer, employee or agent of any entity in the AKD Group has directly or indirectly given or agreed to give any gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other Person who was, is or may be in a position to help or hinder any entity in the AKD Group or made or agreed to make any contribution, or reimbursed any political gift or contribution made by any other Person, to any candidate for United States federal, state, local or foreign public office, in any case, which would

subject any entity in the AKD Group to any Liability or the failure to make which in the future could adversely affect the business or prospects of any entity in the AKD Group.

3.5.2. Litigation. There are no actions, claims, suits, audits, examinations, investigations or proceedings pending or, to the knowledge of AKD or any of the AKD Members, threatened against any entity in the AKD Group, whether by a private Person or a governmental agency or body, nor is there any reasonable basis for any such action, claim, suit, audit, examination, proceeding or investigation. No judgments, orders, decrees, citations, fines or penalties have been entered or assessed against any entity in the AKD Group.

3.5.3. Contracts. Schedule 3.5.3 contains a true and complete list of all Contracts to which or by which any entity in the AKD Group is a party or otherwise bound (other than the Real Property Leases and Subscriber Contracts) that: (a) have a duration of twelve (12) months or more and that are not terminable without penalty upon 30 days or less prior written notice; (b) require or could reasonably be expected to require any party thereto to pay \$5,000 or more; (c) are between any entity in the AKD Group and any Governmental Entity; (d) have or may have the effect of prohibiting or impairing any business practice of any entity in the AKD Group; (e) under which any entity in the AKD Group is restricted from providing services to customers or potential customers in any geographic area, during any period of time or in any segment of a market; or (f) contain any restrictive covenant or confidential or secrecy agreement other than such an agreement relating solely to information about a customer's business or any entity in the AKD Group's services to such customer (Contracts described in (a) through (f) above are referred to collectively as the "AKD Contracts"). The AKD Members have made available to GCI a true and complete copy of each AKD Contract. Neither AKD nor, to the knowledge of AKD or any AKD Member, any other party is in default under or in breach or violation of any AKD Contract, nor has an event occurred that (with or without notice, lapse of time or both) would constitute a default or breach or violation by AKD, or to the knowledge of AKD or any AKD Member, any other party, under any AKD Contract. Subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditors rights generally and to general principles of equity, each AKD Contract is legal, valid, binding, enforceable and in full force and effect, and subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditors rights generally and to general principles of equity, will continue to be legal, valid, binding, enforceable and in full force and effect following the consummation of the transactions contemplated hereby.

3.5.4. Subscriber Contracts. As of May 31, 2006, AKD had legal, valid, binding and enforceable Subscriber Contracts with _____ customers to provide wireless telephone services (of which Subscriber Contracts, _____ were for pre-paid wireless services and _____ were for post-paid wireless services). As of the Closing Date, AKD will have legal, valid, binding and enforceable Subscriber Contracts with no less than _____ customers to provide wireless telephone services (of which Subscriber Contracts, at least _____ will be for pre-paid wireless services and _____ will be for post-paid wireless services). The consummation of the transactions contemplated hereby will have no effect on whether each such Subscriber Contract in effect as of the Closing Date will continue to be legal, valid, binding, enforceable and in full force and effect following the Closing Date. The AKD Members have made available to GCI a true and complete copy of each general form of Subscriber Contract used by AKD (and

not each Subscriber Contract with every individual customer). At the Closing, AKD shall deliver a certificate signed on behalf of AKD by an authorized person stating (i) the total number of wireless telephone subscribers of AKD, (ii) the number of subscribers for pre-paid wireless services and (iii) the number of subscribers for post-paid wireless services, in each case, as of the end of the month immediately preceding the Closing Date.

3.5.5. Transactions With Affiliates. Except as disclosed on Schedule 3.5.5, no AKD Member, no director, officer or employee of any entity in the AKD Group and no Affiliate of any thereof is currently a party to any AKD Contract or has been a party to any material transaction with any entity in the AKD Group since December 31, 2004.

3.5.6. Insurance. Schedule 3.5.6 is a true and complete list of all insurance policies (including self-insurance arrangements) maintained by any entity in the AKD Group (including coverage limits, deductibles, named insureds and policy periods), all of which policies are in full force and effect. No insurance company with which any entity in the AKD Group has had a policy has ever terminated or declined to renew such insurance.

3.5.7. Books and Records. The AKD Members have made available to GCI true and correct copies of all books and records of each entity in the AKD Group.

3.5.8. Bank Accounts; Powers of Attorney. Schedule 3.5.8 is a true and complete list of all bank accounts, securities accounts and other financial accounts maintained by or for the benefit of any entity in the AKD Group, including the name of the institution at which the account is maintained, the name and number of the account, the purpose of the account and the names and capacities of all persons authorized to sign on the account. Schedule 3.5.8 also lists all powers of attorney or similar instruments signed by any entity in the AKD Group authorizing any person to act on its behalf with respect to any matter.

3.6. Employee Matters.

3.6.1. AKD Plans. Schedule 3.6.1 is a true and complete list of all of the following that are now or have ever been maintained or contributed to by AKD or any entity in the AKD Group or any other entity that is a member of a "controlled group" with AKD, as determined under ERISA Section 4001(a)(14) (collectively, the "AKD Plans"): (a) any nonqualified deferred compensation or retirement plan or arrangement which is an "Employee Pension Benefit Plan" as defined in Section 3(2) of ERISA; (b) any qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan; (c) any qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any "Multiemployer Plan", as defined in Section 3(37) of ERISA); or (d) any "Employee Welfare Benefit Plan" as defined in Section 3(1) of ERISA. No AKD Plan is a Multiemployer Plan, and no AKD Plan is subject to the provisions of Title IV of ERISA. No AKD Plan is maintained in connection with any trust described in Code Section 501(c)(9). There have been no prohibited transactions with respect to any AKD Plan. No "Fiduciary" (as defined in ERISA Section 3(21)) has any Liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such AKD Plan. No entity in the AKD Group currently maintains or contributes to any AKD Plan providing health or medical benefits for current or future retired or terminated employees,

their spouses or their dependents (other than in accordance with Code Section 4980B). Each AKD Plan has been maintained and administered in compliance with its terms and with all applicable legal requirements, including but not limited to ERISA, the Code, and the Consolidated Omnibus Budget Reconciliation Act of 1985. Nothing done or omitted to be done and no transaction or holding of any asset under or in connection with any AKD Plan has made or will make any entity in the AKD Group, or any employee, officer or director of any entity in the AKD Group, or any fiduciary with respect to such AKD Plan, subject to any Liability under Title I of ERISA or any Liability for any tax under Code Section 4972 or Code Sections 4975 through 4980B, inclusive. No condition exists that would prevent any entity in the AKD Group from amending or terminating any AKD Plan to the extent permitted by applicable law. To the knowledge of the AKD Members and based upon the requirements of Code Section 409A and the guidance issued by the Internal Revenue Service, including Notice 2005-1 and the proposed regulations published on October 4, 2005, each AKD Plan that is a "nonqualified deferred compensation plan" as defined in Code Section 409A(d)(1) has been operated in material compliance with Code Section 409A. Each entity in the AKD Group has established and implemented such policies, programs, procedures, contracts and systems as are necessary to bring each entity in the AKD Group into compliance with HIPAA; Title II, Subtitle F, Sections 261-264, Public Law 104-91; and the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Parts 160-164 as of the effective dates of such laws, except where the failure to do so would not reasonably be expected to have a material adverse effect.

3.6.2. Employees. Schedule 3.6.2 is a true and complete list of all employees of any entity in the AKD Group and shows for each such employee: (i) his or her position and title; (ii) his or her date of hire; (iii) his or her salary; (iv) his or her unpaid wages, accrued vacation time and accrued personal time as of May 31, 2006; and (v) any bonuses paid to him or her with respect to the fiscal year ended December 31, 2005 or earned by or promised to him or her with respect to the current fiscal year.

3.6.3. Labor Relations. There is no dispute or controversy between any entity in the AKD Group and any of its employees. No entity in the AKD Group is a party to any collective bargaining agreement with respect to any of its employees, none of its employees is represented by a labor union and, to the knowledge of AKD and the AKD Members, there is no labor union organizing activity by or among its employees.

3.6.4. Certain Agreements. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) result in any payment (including, without limitation, severance, unemployment compensation, parachute payment, bonus or otherwise) becoming due to any employee or any other Person from any entity in the AKD Group under any AKD Plan, agreement or otherwise, (b) increase any benefits otherwise payable to any employee under any AKD Plan or agreement, or (c) result in the acceleration of the time of payment or vesting of any such benefits. None of the employees of any entity in the AKD Group is subject to any covenant against competition or similar agreement that would limit his or her ability to participate in all aspects of any entity in the AKD Group's business at any present or future location.

3.7. Environmental Matters.

3.7.1. Compliance. Each entity in the AKD Group is conducting and at all times has conducted its business and operations, and has occupied, used and operated all real property and facilities presently or previously owned, occupied, used or operated by any entity in the AKD Group, in compliance (in all material respects) with all Environmental Laws and so as not to give rise to Liability under any Environmental Laws or to any adverse impact on any entity in the AKD Group's business or activities. Neither any entity in the AKD Group nor the AKD Members have any knowledge of pending or proposed changes to any Environmental Laws that would require any changes in any of any entity in the AKD Group's premises, facilities, equipment, operations or procedures or affect any entity in the AKD Group's business or its cost of conducting its business as now conducted. To the knowledge of AKD, Parent and the AKD Members, no conditions, circumstances or activities have existed or currently exist (including, without limitation, off-site disposal or treatment of Hazardous Substances) which could give rise to any Liability pursuant to any Environmental Laws. Other than the Leased Real Property, neither any entity in the AKD Group nor its predecessors have at any time owned, occupied, used or operated any real property or facilities.

3.7.2. Waste Materials. Any chemicals and chemical compounds and mixtures which are included among the assets of any entity in the AKD Group are required for the conduct of any entity in the AKD Group's business, have not been and are not intended to be discarded or abandoned, and are not waste or waste materials. No entity in the AKD Group has generated, handled, used, transported or disposed of Hazardous Substances. All waste materials which are generated as part of the business of any entity in the AKD Group are handled, stored, treated and disposed of in accordance with applicable Environmental Laws.

3.7.3. Tanks; Asbestos. Any underground storage tanks ever located at the Leased Real Property have been removed in compliance with all applicable Environmental Laws, all remediation required in connection with such removal has been completed in accordance with applicable Environmental Laws and all governmental agencies having jurisdictions have approved such removal and remediation and issued appropriate certificates reflecting that no further action is required. All above ground storage tanks located at the Leased Real Property comply with applicable Environmental Laws and are appropriate and adequate for the conduct of each entity in the AKD Group's business. No real properties or facilities presently or previously owned, occupied, used or operated by any entity in the AKD Group or any predecessor have been used at any time as a gasoline service station or as a facility for storing, pumping, dispensing or producing gasoline or any other petroleum products or any other Hazardous Substances. No building or other structure on any of the real property owned, occupied, used or operated by any entity in the AKD Group contains asbestos or asbestos-containing materials. There are not nor have there been any incinerators, septic tanks, leach fields, cesspools or wells (including without limitation dry, drinking, industrial, agricultural and monitoring wells) on any real property owned, occupied, used or operated by any entity in the AKD Group.

3.7.4. Environmental Assessments. The AKD Members have delivered to GCI correct and complete copies of all documents, correspondence, reports or other materials in their possession or control concerning the environmental condition of any real property

currently or formerly used or occupied by any entity in the AKD Group, including, without limitation, all environmental site assessments.

3.8. Communications Regulatory Matters.

3.8.1. AKD Licenses. AKD is fully qualified under the Communications Laws to be an FCC licensee. **Schedule 3.8.1** lists all licenses and authorizations issued by the FCC or the RCA to any entity in the AKD Group (the "AKD Licenses"), together with the name of the licensee or authorization holder, the expiration date of the AKD Licenses and, where applicable, the relevant FCC market designation. AKD validly holds the AKD Licenses which represent all the FCC authorizations required in connection with the ownership and operation of the AKD wireless telecommunications business as it is presently being conducted. The AKD Licenses are not subject to any conditions outside of the ordinary course. No person other than AKD has any right, title or interest (legal or beneficial) in or to, or any right or license to use, the AKD Licenses. The AKD Licenses have been granted to AKD by Final Order and are in full force and effect.

3.8.2. Compliance. Except as disclosed in **Schedule 3.8.2**, AKD is in material compliance with the Communications Laws, including without limitation those relating to: (i) the Communications Assistance for Law Enforcement Act (CALEA); (ii) E-911 Phase I and Phase II compliance; (iii) number porting, number pooling and related number usage and utilization reports; (iv) Telecommunications Relay Service obligations; (v) universal service obligations; (vi) the payment of regulatory fees; (vii) Text Telephone Devices (TTY); (viii) the submission of quarterly, semi-annual, annual or other periodic reports or filings with the FCC or other Governmental Entity or administrative body (e.g. the National Exchange Carrier Association (NECA) and the Universal Service Administrative Company (USAC)); (ix) compliance with the National Environmental Protection Act (NEPA) provisions applicable to telecommunications carriers; (x) compliance with any spectrum clearing or incumbent relocation cost sharing obligations; and (xi) compliance with FCC and FAA antenna registration and painting and lighting requirements.

3.8.3. Proceedings. There are no objections, petitions to deny, complaints (formal or informal) competing applications or other proceedings pending before the FCC or any other Governmental Entity having jurisdiction over AKD or the AKD Licenses relating to AKD or the AKD Licenses. AKD has not received any notice of any claim of default with respect to any of the AKD Licenses. Except for proceedings affecting the wireless industry generally, and except as disclosed on **Schedule 3.8.3**, there is not pending or, to the knowledge of AKD, threatened against AKD or the AKD Licenses any action, petition, objection or other pleading, or any proceeding with the FCC or any other Governmental Entity, which contests the validity of, or seeks the revocation, forfeiture, non-renewal modification or suspension of, the AKD Licenses, or which would adversely affect the ability of AKD to consummate the transactions contemplated by this Agreement.

3.8.4. Filings. All documents required to be filed during the ownership of the AKD Licenses by AKD with the FCC or any other Governmental Entity have been timely filed or the time period for such filing has not lapsed, except where such failure to timely file would not reasonably be expected to result in the revocation, cancellation, forfeiture, non-

renewal or suspension of any authorization or license or the imposition of any monetary forfeiture. All of such filings were complete and correct in all material respects when filed.

3.8.5. Build-Out. AKD is not in breach or otherwise in violation of any FCC build-out requirements with respect to any FCC authorization held by it. Each FCC licensed station has been built out at least to the minimum extent required by the Communications Laws. Any and all FCC notifications or filings associated with the build-out were timely filed and were true complete and correct when filed. There has been no discontinuance of service subsequent to the completion of construction and certification that would cause the AKD Licenses to be deemed forfeited or automatically cancelled by the FCC.

3.9. Transactional Matters.

3.9.1. Brokers, Finders, etc. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any Person acting on behalf of any entity in the AKD Group or any AKD Member in such manner as to give rise to any valid claim against any entity in the AKD Group, any AKD Member or GCI for any brokerage or finder's commission, fee or similar compensation.

3.9.2. Disclosure. The representations and warranties of each entity in the AKD Group and the AKD Members in this Agreement, including the Schedules hereto, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained not misleading.

SECTION 4 REPRESENTATIONS AND WARRANTIES OF THE DENALI MEMBERS

The Denali Members jointly and severally represent and warrant to GCI that, except as disclosed in the Denali Disclosure Schedule (which is numbered to correspond to the section numbers in this Section 4):

4.1. Organization and Standing; Capitalization.

4.1.1. Organization and Standing of Denali. Denali is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Alaska. Denali is qualified to do business and in good standing as a foreign limited liability company in the jurisdictions listed in Schedule 4.1.1, which are all of the jurisdictions where such qualification is required. Denali has the requisite limited liability company power and authority to own its assets and carry on its business as presently being conducted. Complete and correct copies of the articles of organization, operating agreement and membership records of Denali have been delivered to GCI.

4.1.2. Subsidiaries. Denali does not own, directly or indirectly, any capital stock of, any partnership, equity or other ownership interest in or any security issued by any other corporation, organization, association, entity, business enterprise or other Person.

4.1.3. Capitalization. All of the issued and outstanding Denali Interests are duly authorized, validly issued, fully paid and nonassessable and are owned of record and beneficially by the Denali Members, free and clear of Encumbrances, as follows:

<u>Member</u>	<u>Percentage Interest</u>
Pacificom	%
Red River	%

There are no outstanding options, warrants, convertible securities or other rights to acquire any membership interest or any other security from Denali. No membership interests or other securities of Denali have been issued in violation of any preemptive or similar right of any Person or have been transferred in violation of, or are currently subject to, any right of first refusal or similar right of any Person. All of the issued and outstanding ownership interests of Denali were issued in compliance with applicable law, including, without limitation, federal and state securities laws. No securities of Denali are subject to any voting trust or other voting agreement.

4.2. The Transaction Agreements.

4.2.1. Execution and Validity. Each Denali Member has the requisite power and authority to execute and deliver each of the Transaction Agreements to which it is a party and to perform its obligations thereunder, and the execution, delivery and performance by such Denali Member of this Agreement and the other Transaction Agreements to which it is a party and the consummation by such Denali Member of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by all necessary action of the owners and managers of such Denali Member as required by applicable documents and law. This Agreement has been duly executed and delivered by each Denali Member and constitutes, and each of the other Transaction Agreements to which any Denali Member is a party will be duly executed and delivered by such Denali Member at Closing and will constitute, the legal, valid and binding obligation of such Denali Member, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization and similar laws of general applicability affecting the rights and remedies of creditors and to general principles of equity.

4.2.2. No Violation or Approval. The execution, delivery and performance by each Denali Member of the Transaction Agreements to which such Denali Member is a party and the consummation of the transactions contemplated by the Transaction Agreements do not and will not constitute or result in (a) a violation of any order, judgment or decree of any court or governmental agency or body having jurisdiction over Denali, any Denali Member, or any of their respective assets, or (b) a breach of or default under, or the acceleration of any obligation or creation of any Encumbrance under (whether immediately, upon the passage of time or after the giving of notice), or otherwise require a consent or waiver under, any agreement, instrument, lease, contract, mortgage, deed or license to which Denali or any Denali Member is a party or by which Denali or any Denali Member or any of their assets are bound or affected or (c) a violation of or a conflict with the articles of organization or operating agreement of Denali. Except as described on Schedule 4.2.2, no notice to, or consent, approval, order or authorization of, or declaration or filing with, any governmental authority or entity or other Person is required to be obtained or made by Denali or any Denali Member in connection with

the execution, delivery and performance of or the consummation of the transactions contemplated by any of the Transaction Agreements.

4.3. **No Assets.** Denali does not own, lease or use any assets or properties other than the Denali Contracts and the Denali Licenses.

4.4. **Financial Matters.**

4.4.1. **Financial Statements.** Attached to this Agreement as **Schedule 4.4.1** are (a) the unaudited balance sheet of Denali as of December 31, 2005 (the "Denali Balance Sheet Date"), and the related audited statements of income, members' equity and cash flows for the fiscal year then ended, and (b) the unaudited balance sheets of Denali as of May 31, 2006, and the related audited statement of income, members' equity and cash flows for the quarter then ended (collectively, the "Denali Financial Statements"). The Denali Financial Statements were prepared from the books and records of Denali, which are correct and complete. The Denali Financial Statements present fairly and accurately the financial position of Denali and the results of its operations as of the respective dates and for the periods presented therein and have been prepared in accordance with GAAP.

4.4.2. **No Undisclosed Liabilities.** Denali has no Liabilities except (i) Liabilities set forth on the balance sheet included in the Denali Financial Statements, and (ii) Liabilities which have arisen after the Denali Balance Sheet Date in the ordinary course of business, consistent with historical practice (none of which Liabilities arises out of or relates to any breach of contract, breach of warranty, tort, infringement or violation of law). Denali is not a guarantor or otherwise liable for any Liability of any other Person.

4.4.3. **Absence of Changes.** Since the Denali Balance Sheet Date, Denali has not undergone any adverse change in its business, condition (financial or otherwise) or prospects, or suffered any damage, destruction or loss (whether or not covered by insurance). Since the Denali Balance Sheet Date, Denali has operated only in the ordinary course of business, consistent in all respects with historical practice, and no change has been made or transaction entered into in anticipation of the transactions contemplated hereby. Without limiting the generality of the foregoing, since the Denali Balance Sheet Date, Denali has not:

(a) made any loan, advance or other extension of credit to any Denali Member or any officer, director or employee of Denali or any Affiliate of any thereof;

(b) increased or experienced any adverse change in any assumption underlying any method of calculating bad debts, contingencies or other reserves from that reflected in the Denali Financial Statements;

(c) cancelled, compromised, written down, written off or waived any claim or right of substantial value;

(d) sold, transferred, distributed or otherwise disposed of any of its assets except for sales of equipment for fair consideration in the ordinary course of business which has either been replaced by comparable equipment or is no longer necessary for the operation of Denali's business;

(e) made any capital expenditure or commitment for additions to property, plant or equipment;

(f) made or agreed to make any increase in the compensation payable or benefits provided to any of the officers or directors of Denali;

(g) paid any severance or termination pay to any officer, director or employee of Denali;

(h) changed the methods of accounting or accounting principles or practices of Denali set forth in or reflected by the Financial Statements;

(i) entered into any contract or received any payment as a result of which Denali would be required to provide goods or services to any Person after the Closing without receiving full payment for those goods or services at or after the time they are provided;

(j) entered into any transaction or contract, or amended or terminated any transaction or contract, with respect to the business of Denali, except normal transactions or contracts consistent in nature and scope with prior practices and entered into in the ordinary course of business in arm's-length transactions, none of which transactions or contracts, or amendments or terminations thereof, could reasonably be expected to have a material adverse effect upon the business of Denali or the financial condition or prospects thereof;

(k) terminated or been advised of the termination of or material reduction in its relationship with any material customer or supplier;

(l) changed in any material respect the business policies or practices of Denali or failed to operate the business of Denali in good faith and in the ordinary course; or

(m) agreed, whether in writing or not, to do any of the foregoing.

4.4.4. Taxes. Denali has filed all Tax Returns that it has been required to file. All such Tax Returns were correct and complete in all material respects. All Taxes owed by Denali (whether or not required to be shown on a Tax Return) have been paid. Denali is not currently the beneficiary of any extension of time within which to file any Tax Return. Denali has not received notice from an authority in a jurisdiction where it does not file Tax Returns that it may be subject to taxation by that jurisdiction. Denali has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other Person. Schedule 4.4.4 lists all Tax Returns filed by Denali since January 1, 1999 (complete copies of which have been delivered to GCI) and indicates those Tax Returns that have been audited or are currently being audited or for which Denali has received notice of a proposed audit. Denali has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. Denali has no liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract, or otherwise. Denali has never been a member of an affiliated group filing a consolidated federal income Tax Return (or any other consolidated, combined or unitary income Tax Return). The reserves for Taxes in the Denali Financial

Statements are adequate. Denali is not subject to any agreements that could result in any "excess parachute payments" under Code Section 280G. Denali has not agreed to and is not otherwise required to make any adjustments pursuant to Code Section 481(a) or any similar provision of state, local or foreign law by reason of a change in accounting method. No taxing authority has proposed any such adjustment or change in accounting method with respect to Denali. There is no application pending with any taxing authority requesting permission for any change in accounting method of Denali. Denali has not participated in any investment or transaction that (i) constituted a "tax shelter" within the meaning of Section 6111(c)(1) of the Code; or (ii) would constitute a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4, whether entered into before or after the effective date of such Treasury Regulation. None of Denali's assets are subject to any liens in respect of Taxes, except liens that are expressly permitted under the terms of this Agreement.

4.4.5. Accounts Receivable. The accounts receivable of Denali (i) are validly existing, (ii) are enforceable by Denali in accordance with the terms of the instruments or documents creating them, (iii) are owned by Denali free and clear of all Encumbrances, (iv) represent monies due for, and have arisen solely out of, bona fide performance of services and other business transactions in the ordinary course of business consistent with past practices and (v) are collectible within one year after the Closing Date at the full recorded amount thereof less any allowance for uncollectible accounts receivable that is reflected in the Final Closing Adjustment Schedule. There are no refunds, discounts or other adjustments payable with respect to any such accounts receivable, and there are no defenses, rights of set-off, counterclaims, assignments, restrictions, encumbrances, or conditions enforceable by third parties on or affecting any account receivable.

4.5. Operational Matters.

4.5.1. Compliance With Law. Denali has conducted its operations in material compliance with applicable laws. The Denali Members have no knowledge of and Denali has not received notice of any violations of law relating to Denali, Denali's operations or the Denali Contributed Assets. Neither any Denali Member, Denali nor any officer, employee or agent of Denali has directly or indirectly given or agreed to give any gift, contribution, payment or similar benefit to any supplier, customer, governmental official or employee or other Person who was, is or may be in a position to help or hinder Denali or made or agreed to make any contribution, or reimbursed any political gift or contribution made by any other Person, to any candidate for United States federal, state, local or foreign public office, in any case, which would subject Denali to any Liability or the failure to make which in the future could adversely affect the business or prospects of Denali.

4.5.2. Litigation. There are no actions, claims, suits, audits, examinations, investigations or proceedings pending or, to the knowledge of Denali or the Denali Members, threatened against Denali, whether by a private Person or a governmental agency or body, nor is there any reasonable basis for any such action, claim, suit, audit, examination, proceeding or investigation. No judgments, orders, decrees, citations, fines or penalties have been entered or assessed against Denali.

4.5.3. Contracts. Schedule 4.5.3 contains a true and complete list of all Contracts to which or by which Denali is a party or otherwise bound that: (a) have a duration of twelve (12) months or more and that are not terminable without penalty upon 30 days or less prior written notice; (b) require or could reasonably be expected to require any party thereto to pay \$5,000 or more; (c) are between Denali and any Governmental Entity; (d) have or may have the effect of prohibiting or impairing any business practice of Denali or any entity in the AKD Group; (e) under which Denali or any entity in the AKD Group is restricted from providing services to customers or potential customers in any geographic area, during any period of time or in any segment of a market; or (f) contain any restrictive covenant or confidential or secrecy agreement other than such an agreement relating solely to information about a customer's business or Denali or any entity in the AKD Group's services to such customer (Contracts described in (a) through (f) above are referred to collectively as the "Denali Contracts"). The Denali Members have made available to GCI a true and complete copy of each Contract. Neither Denali nor, to the knowledge of Denali or any Denali Member, any other party is in default under or in breach or violation of any Denali Contract, nor has an event occurred that (with or without notice, lapse of time or both) would constitute a default or breach or violation by Denali, or to the knowledge of Denali or any Denali Members, any other party, under any Denali Contract. Subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or such laws affecting the enforcement of creditors rights generally and to general principles of equity, each Denali Contract is legal, valid, binding, enforceable and in full force and effect, and subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditors rights generally and to general principles of equity, will continue to be legal, valid, binding, enforceable and in full force and effect following the consummation of the transactions contemplated hereby.

4.5.4. Transactions With Affiliates. No Denali Member, no director, officer, manager or employee of Denali and no Affiliate of any thereof is currently a party to any Denali Contract or has been a party to any material transaction with Denali since December 31, 2004.

4.5.5. Insurance. Schedule 4.5.5 is a true and complete list of all insurance policies (including self-insurance arrangements) maintained by Denali (including coverage limits, deductibles, named insureds and policy periods), all of which policies are in full force and effect. No insurance company with which Denali has had a policy has ever terminated or declined to renew such insurance

4.5.6. Books and Records. The Denali Members have made available to GCI true and correct copies of all books and records of Denali.

4.5.7. Bank Accounts; Powers of Attorney. Schedule 4.5.7 is a true and complete list of all bank accounts, securities accounts and other financial accounts maintained by or for the benefit of Denali, including the name of the institution at which the account is maintained, the name and number of the account, the purpose of the account and the names and capacities of all persons authorized to sign on the account. Schedule 4.5.7 also lists all powers of attorney or similar instruments signed by Denali authorizing any person to act on its behalf with respect to any matter.

4.6. **Employee Matters.** Denali has no employees and has never had any employees since its inception. Neither Denali nor any other entity that is a member of a controlled group with Denali, as determined under ERISA Section 4001(a)(14), has ever maintained or contributed to any of the following: (a) any nonqualified deferred compensation or retirement plan or arrangement which is an "Employee Pension Benefit Plan" as defined in Section 3(2) of ERISA; (b) any qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan; (c) any qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any "Multiemployer Plan", as defined in Section 3(37) of ERISA); or (d) any "Employee Welfare Benefit Plan" as defined in Section 3(1) of ERISA.

4.7. **Environmental Matters.** Denali is conducting and at all times has conducted its business and operations, and has occupied, used and operated all real property and facilities presently or previously owned, occupied, used or operated by Denali, in compliance (in all material respects) with all Environmental Laws and so as not to give rise to Liability under any Environmental Laws or to any adverse impact on Denali's business or activities. Neither Denali nor any Denali Members have any knowledge of pending or proposed changes to any Environmental Laws that would require any changes in any of Denali's premises, facilities, equipment, operations or procedures or affect Denali's business or its cost of conducting its business as now conducted. No conditions, circumstances or activities have existed or currently exist (including, without limitation, off-site disposal or treatment of Hazardous Substances) which could give rise to any Liability pursuant to any Environmental Laws. Neither Denali nor its predecessors have at any time owned, occupied, used or operated any real property or facilities.

4.8. **Communications Regulatory Matters.**

4.8.1. **Denali Licenses.** Denali is fully qualified under the Communications Laws to be an FCC licensee. **Schedule 4.8.1** lists all licenses and authorizations issued by the FCC or the RCA to Denali (the "Denali Licenses"), together with the name of the licensee or authorization holder, the expiration date of the Denali Licenses and, where applicable, the relevant FCC market designation. Denali validly holds the Denali Licenses which represent all the FCC authorizations required in connection with the ownership and operation of the Denali wireless telecommunications business as it is presently being conducted. The Denali Licenses are not subject to any conditions outside of the ordinary course. No person other than Denali has any right, title or interest (legal or beneficial) in or to, or any right or license to use, the Denali Licenses. The Denali Licenses have been granted to Denali by Final Order and are in full force and effect.

4.8.2. **Compliance.** Denali is in material compliance with the Communications Laws, including without limitation those relating to: (i) the Communications Assistance for Law Enforcement Act (CALEA); (ii) E-911 Phase I and Phase II compliance; (iii) number porting, number pooling and related number usage and utilization reports; (iv) Telecommunications Relay Service obligations; (v) universal service obligations; (vi) the payment of regulatory fees; (vii) Text Telephone Devices (TTY); (viii) the submission of quarterly, semi-annual, annual or other periodic reports or filings with the FCC or other Governmental Entity or administrative body (e.g. the National Exchange Carrier Association

(NECA) and the Universal Service Administrative Company (USAC)); (ix) compliance with the National Environmental Protection Act (NEPA) provisions applicable to telecommunications carriers; (x) compliance with any spectrum clearing or incumbent relocation cost sharing obligations; and (xi) compliance with FCC and FAA antenna registration and painting and lighting requirements.

4.8.3. Proceedings. There are no objections, petitions to deny, complaints (formal or informal) competing applications or other proceedings pending before the FCC or any other Governmental Entity having jurisdiction over Denali or the Denali Licenses relating to Denali or the Denali Licenses. Denali has not received any notice of any claim of default with respect to any of the Denali Licenses. Except for proceedings affecting the wireless industry generally, and except as disclosed on Schedule 4.8.3, there is not pending or, to the knowledge of Denali, threatened against Denali or the Denali Licenses any action, petition, objection or other pleading, or any proceeding with the FCC or any other Governmental Entity, which contests the validity of, or seeks the revocation, forfeiture, non-renewal modification or suspension of, the Denali Licenses, or which would adversely affect the ability of Denali to consummate the transactions contemplated by this Agreement.

4.8.4. Filings. All documents required to be filed during the ownership of the Denali Licenses by Denali with the FCC or any other Governmental Entity have been timely filed or the time period for such filing has not lapsed, except where such failure to timely file would not reasonably be expected to result in the revocation, cancellation, forfeiture, non-renewal or suspension of any authorization or license or the imposition of any monetary forfeiture. All of such filings were complete and correct in all material respects when filed.

4.8.5. Build-Out. Denali is not in breach or otherwise in violation of any FCC build-out requirements with respect to any FCC authorization held by it. Each FCC licensed station has been built out at least to the minimum extent required by the Communications Laws. Any and all FCC notifications or filings associated with the build-out were timely filed and were true complete and correct when filed. There has been no discontinuance of service subsequent to the completion of construction and certification that would cause the Denali Licenses to be deemed forfeited or automatically cancelled by the FCC.

4.9. Transactional Matters.

4.9.1. Brokers, Finders, etc. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any Person acting on behalf of Denali or any Denali Member in such manner as to give rise to any valid claim against Denali, any Denali Member or GCI for any brokerage or finder's commission, fee or similar compensation.

4.9.2. Disclosure. The representations and warranties of the Denali Members in this Agreement, including the Schedules hereto, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained not misleading.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF GCI

GCI represents and warrants to AKD, Parent, the AKD Members and the Denali Members that:

5.1. Organization and Standing. GCI is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Alaska. GCI has the requisite corporate power and authority to execute and deliver each of the Transaction Agreements to which it is a party and to perform its obligations thereunder. The execution, delivery and performance by GCI of this Agreement and the other Transaction Agreements to which it is a party, and the consummation by GCI of the transactions contemplated hereby and thereby, have been duly and validly authorized and approved by all necessary corporate action on the part of GCI.

5.2. Execution and Validity of Agreements. This Agreement has been duly executed and delivered by GCI and constitutes, and each of the other Transaction Agreements to which GCI is a party will be duly executed and delivered at Closing and will constitute, the legal, valid and binding obligation of GCI, enforceable in accordance with its terms, subject to bankruptcy, insolvency, moratorium, reorganization and similar laws of general applicability affecting the rights and remedies of creditors and to general principles of equity, regardless of whether enforcement is sought in proceedings in equity or at law.

5.3. No Violation or Approval. The execution, delivery and performance by GCI of each of the Transaction Agreements to which it is a party and the consummation of the transactions contemplated thereby does not and will not result in (a) a violation of any law, rule or regulation, order, judgment or decree applicable to GCI or any order, judgment or decree of any court or any governmental agency or body having jurisdiction over GCI or its properties or assets, (b) a breach or a default under (whether immediately, upon the passage of time or after giving notice), or the acceleration of any payment under any material agreement, instrument, lease, contract, mortgage, or license to which GCI is a party or by which it or any of its properties or assets is bound, or (c) a violation of or a conflict with its charter or bylaws. No consent, approval, order or authorization of, or declaration or filing with, any governmental authority or entity or other party is required to be, and has not been, obtained or made by GCI in connection with the execution, delivery and performance of or the consummation of the transactions contemplated by any of the Transaction Agreements.

5.4. Brokers, Finders, etc. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any Person acting on behalf of GCI in such manner as to give rise to any valid claim against any AKD, the AKD Members or the Denali Members for any brokerage or finder's commission, fee or similar compensation.

5.5. No Oral Warranties. Except for the warranties and representations expressly set forth in this Agreement, GCI is relying solely on its own expertise and that of its consultants, employees, agents, servants and representatives in connection with its acquisition of the Denali Interests and the AKD Common Units (collectively, the "Interests"). GCI has or will

conduct such investigation, analysis and inspection of AKD, Denali and their respective businesses as it deems necessary or appropriate and shall rely upon such investigation, analysis and inspection in connection with the acquisition of the Interests. GCI acknowledges and agrees that neither Denali, AKD, Parent, the AKD Members and/or the Denali Members, on the one hand, nor their respective officers, directors, members, employees, servants, agents, attorneys or representatives have made any oral agreements, warranties or representations, and that none of Denali, AKD, Parent, the AKD Members and/or the Denali Members are liable or bound by any oral or written statement, agreement, information, warranty or representation with respect to the Interests, AKD, Denali of the business or assts of AKD or Denali made by any Person whatsoever, unless such statement, agreement, information, warranty or representation is expressly set forth in this Agreement. In connection with its acquisition of the Interests, GCI is not relying on any oral statements or representations made or given by any Person whomsoever. The parties agree that this Section 5.5 shall in no way diminish or otherwise impair GCI's ability (a) to seek indemnification for any breach of any representation or warranty herein or (b) to enforce its rights under this Agreement or the documents and instruments delivered pursuant to this Agreement.

SECTION 6 COVENANTS

6.1. Exclusivity; Acquisition Proposals. Unless and until this Agreement shall have been terminated pursuant to Section 11, none of any entity in the AKD Group, Parent, the AKD Members or the Denali Members shall take or cause or permit to be taken, directly or indirectly, any of the following actions with any Person other than GCI and its designees or agents: (a) solicit, encourage, initiate or participate in any negotiations, inquiries or discussions with respect to any offer or proposal to acquire the business or assets of any entity in the AKD Group or Denali, whether by merger, consolidation, other business combination, purchase of assets or stock, tender or exchange offer or otherwise (each of the foregoing an "Acquisition Transaction"); (b) disclose any information not customarily disclosed to any Person who is or may be requesting such information for purposes of a possible Acquisition Transaction; (c) agree to or execute any letter of intent, terms sheet or agreement relating to an Acquisition Transaction; or (d) make or authorize any public statement or solicitation with respect to any Acquisition Transaction or any offer or proposal relating to an Acquisition Transaction other than with respect to the transactions contemplated hereby.

6.2. Notices and Consents.

(a) Each entity in the AKD Group, Parent, the AKD Members and the Denali Members shall cooperate with each other and use, and shall cause their respective Affiliates to use, their respective reasonable best efforts to prepare and file as promptly as reasonably practicable all documentation to effect all necessary notices, reports and other filings (including all applications required to be filed with the FCC and the RCA) and to obtain as promptly as reasonably practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any Third Party and/or any Governmental Entity in order to consummate the transactions contemplated by this Agreement (collectively, the "Regulatory Consents"). GCI will provide reasonable cooperation to the forgoing Parties to obtain such Regulatory Consents. None of GCI, any entity in the AKD

Group, Parent, the AKD Members or the Denali Members shall agree to participate in any substantive meeting or discussion with any such Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the transactions contemplated by this Agreement unless it consults with the other Parties reasonably in advance and, to the extent permitted by such Governmental Entity, gives the other Parties the opportunity to attend and participate.

(b) GCI, each entity in the AKD Group, Parent, the AKD Members and the Denali Members each shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, officers, members and members and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of any entity in the AKD Group or Denali to any Governmental Entity in connection with the transactions contemplated by this Agreement.

(c) Subject to applicable Law and the instructions of any Governmental Entity, GCI, each entity in the AKD Group, Parent, the AKD Members and the Denali Members each shall keep the others apprised of the status of matters relating to completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by such Person from any Governmental Entity with respect to such transactions.

6.3. Preparation for Closing. Each of the Parties will use commercially reasonable efforts to take all actions necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including the satisfaction, but not the waiver, of the conditions precedent set forth in Section 7) and the other Transaction Agreements.

6.4. Notification of Certain Matters. Between the date of this Agreement and the Closing Date, each Party shall give prompt notice in writing to the other Parties of: (a) any information that indicates that any of such Party's representations or warranties contained herein was not true and correct in all material respects as of the date hereof or will not be true and correct in all material respects at and as of the Closing Date (except for changes permitted or contemplated by this Agreement), (b) the occurrence of any event that will result, or has a reasonable prospect of resulting, in the failure of any condition specified in Section 8 hereof to be satisfied, (c) any notice or other communication from any Person indicating that such Person will not or may not grant any consent or approval required in connection with the transactions contemplated by this Agreement or that such transactions otherwise may violate the rights of or confer remedies upon such Person and (d) any other material development that occurs after the date of this Agreement and affects the accuracy of the representations, warranties, covenants or Disclosure Schedule contained herein. No notice given under this Section 6.4 will be deemed to amend or supplement any Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty or breach of covenant of any Party.

6.5. Other Limitations on Conduct of AKD's and Properties' Businesses. AKD, Parent and the AKD Members hereby covenant and agree with GCI that, prior to the earlier of the termination of this Agreement pursuant to Section 11 or the Closing Date, unless